

Office of the President
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I. ANSWERS TO QUESTIONS CONCERNING PRESENT DEGREE OF RECOVERY.

1. Summary of physical destruction and other losses.— The value of damages sustained by the Philippines as a result of the war (based on reports still incomplete) amounts to about ₱2,740,526,649 distributed as follows: real estate improvements, including government buildings, private residential and commercial structures, churches and other religious institutions, ₱539,374,320 or 19.7 per cent; government corporations, ₱81,756,232 or 3.0 per cent; industrial and commercial properties, ₱512,950,454 or 18.7 per cent; agriculture, ₱281,170,790 or 10.3 per cent; public works improvements, excluding damages in the provinces of Agusan, Batanes, Bukidnon, Catanduanes, Cotabato, Palawan and Zamboanga, ₱244,988,081 or 8.9 per cent; personal effects, such as clothes and linen, house furniture, fixtures and utensils, motor cars, jewelry, books, etc., ₱413,778,327 or 15.1 per cent; government offices, exclusive of buildings, ₱125,663,477 or 4.6 per cent; libraries (from reports of 3 public and 4 private libraries in Manila only), ₱5,624,968 or 0.2 per cent; and prewar value of Japanese notes issued in exchange for goods and services, ₱35,220,000 or 1.3 per cent.

The following table gives a summary of the war losses sustained by the Philippines:

ESTIMATED PHILIPPINE WAR DAMAGES (PARTIAL): DEC. 8, 1941 TO JULY 4, 1945
Based on reports received by the E.O.S. up to June 1946.

Item	1941 Value	Percentage of Distribution
Real estate improvements a/	539,374,320 1/	19.7
Government corporations	81,756,232 2/	3.0
Industrial and commercial properties.....	512,950,454	18.7
Public works improvements b/	244,988,081	8.9
Government offices c/	125,663,477 3/	4.6
Agriculture d/	281,170,790	10.3
Value of Japanese military notes issued e/..	35,220,000	1.3
Personal effects f/	413,778,327	15.1
Libraries g/	5,624,968	0.2
TOTAL	₱2,740,526,649	100.00

Reduced to physical quantities, these losses are represented as follows:

a. Destruction of houses.— About 270,000 private structures were destroyed rendering from 1,500,000 to 2,000,000 persons homeless.

b. Government buildings.— The destruction of about 1,200 government structures has forced the government to occupy private buildings which could otherwise be utilized as dwellings.

c. School buildings.— About 15,000 school buildings were destroyed, as a result of which thousands of children of school age are out of school.

The following table shows the estimated number of structures damaged as a result of war operations in the Philippines:

ESTIMATED NUMBER OF BUILDINGS AND OTHER STRUCTURES DAMAGED
AS A RESULT OF WAR OPERATIONS IN THE PHILIPPINES
December 8, 1941 - July 4, 1945

Items	Number
Public school buildings	15,100
Government offices and other government structures.....	1,200
Private residences	269,950
Business houses	8,800
Private schools, colleges, hospitals & other structures	100
Churches, convents & other religious structures	150
TOTAL	295,300

a/ Govt buildings included. b/ Excluding damages to Agusan, Batanes, Bukidnon, Catanduanes, Cotabato, Palawan and Zamboanga. c/ Does not include buildings; includes only office furniture & fixtures, supplies & materials, records, documents, books, journals, etc. d/ Includes crops, livestock & farm implements only. e/ Estimated prewar value of worthless Japanese notes issued in exchange for goods & services. f/ Clothes, furniture, fixtures & utensils, books, jewelry, cars, etc. g/ As reported by 3 public & 4 private university & college libraries in Manila. 1/ As reported by 831 municipalities and cities. 2/ Does not include buildings. 3/ As reported by 15 provincial, 5 city and 386 municipal governments and 46 bureaus and offices.

d. Damage to agriculture - The following table reflects the damages to farm crops, livestocks and poultry and farm implements.

TOTAL QUANTITY OF WAR DAMAGES TO AGRICULTURAL CROPS,
LIVESTOCK AND POULTRY AND FARM IMPLEMENTS IN THE
PHILIPPINES BY ITEM DECEMBER 8, 1941 TO JULY 4, 1945,
DUE TO LOOTING, REQUISITION, FIRE, CONFISCATION, ETC.

Item	Unit	Quantity
T O T A L		
AGRICULTURAL CROPS -		
<u>Rice</u>		
Palay	Cavan	16,401,290
Rice (clean).....	"	2,015,740
<u>Corn</u>		
Corn (shelled).....	Cavan	3,775,180
Corn (ears)	Number	338,607,040
<u>Sugar cane</u>		
Sugar	Kilo	249,069,560
Canes	Ton	5,424,140
Molasses	Liter	10,007,930
Tobacco	Kilo	10,131,460
<u>Coconuts</u>		
Nuts	Number	515,744,010
Copra	Kilo	128,112,070
Oil	Liter	1,803,990
Tuba	"	8,337,040
Abaca	Kilo	118,537,600
Camote	"	126,742,060
Cassava	"	57,572,850
Gabe	"	13,688,490
Mongo	"	2,144,110
Bananas	"	71,489,100
Coffee	"	1,980,910
Cacao	"	355,520
Beans and vegetables	"	19,622,480
Fruits	"	22,746,200
All others	"	8,845,810
LIVESTOCK AND POULTRY -		
Cattle	Number	615,750
Carabao	"	578,000
Horses	"	100,390
Pigs	"	1,239,700
Goats	"	75,620
Chickens	"	9,236,180
Ducks	"	288,800
<u>Eggs</u>		
Chickens	Number	34,451,930
Ducks	"	1,393,710
FARM IMPLEMENTS -		
Plows	Number	198,780
Harrows	"	113,650
Tractors	"	384
All others	"	414,990
MISCELLANEOUS	"	-

2. Brief summary of the effects of the war on population and manpower.-

The occupation of the Philippines by the enemy brought untold hardship and suffering upon the people. For about three years the inhabitants were on the verge of starvation. Food supply was forcibly appropriated by the enemy, food production was hampered and the livelihood of the people disrupted by war operations. The inevitable demoralization of the population resulting from the savage fight for existence manifested itself markedly even after liberation in increased crimes and social unrest. War mortality was enormous. Based on available figures, it may be estimated at around half a million.

The estimated labor supply for the Philippines, including all persons 10 years old and over who are able to work, follows:

1939 (Census year)	7,304,300
1941	7,720,200
1946	8,672,900

These estimates are based on the assumption that existing labor supply bears the same ratio to population as the labor supply in 1939. The casualties resulting from massacres by the Japanese, the battle for liberation and other war causes may reduce the estimates for 1946 by from 2 to 4 per cent.

3. Effect of war on rate of progress of industrialization and economic development.-

The destruction wrought by war caused a serious setback to the progress of industrialization and economic development. Before the war, Manila and commercial centers were teeming with large factories and industrial plants with all the modern equipment and facilities for turning out high-grade manufactures in commercial quantities. However, the sugar mills, rope factories, cigar and cigarette factories, coconut oil mills, etc., were laid prostrate in the wake of the liberation and unable to produce sorely needed goods. It will take considerable time before production can catch up with the demand both for local consumption and for export. Many of the prewar operators depend mostly on war damage payments for the rebuilding of their business but so far no payments have been made so that the prospects of early recovery of the prewar rate of industrialization and economic development is very dark. Rehabilitation is greatly handicapped by lack of coal and native power, heavy machinery and perhaps technical guidance.

With 41 out of the 43 sugar centrals destroyed and 73 out of the 148 saw mills totally destroyed, production of sugar and lumber is very insignificant, as compared to prewar production. The same is true with the mining industry. Only copra is recovering rapidly with 45,000 tons shipped to the U.S. in June as compared to 33,000 prewar monthly average. The average for the six months ending June, 1946, was however 23,600 tons.

4. Consumption level of foodstuffs and other consumers goods.-

Rice.-Domestic consumption of rice before the war was 350 grams daily per capita, or a yearly per capita consumption of 2.28 cavares of cleaned rice (56 kilos to a cavar). On the basis of an estimated population of 18,480,000 in 1946, out of which 69.5 per cent constitute the rice-eating population, a total of 29,283,400 cavares of cleaned rice would be needed to support the population, as against the 1945-1946 crop of 17,067,140 cavares of cleaned rice or a deficiency of 12,216,260 cavares, which have to be supplied partly from imports and partly from rice substitutes, such as corn, cassava, gabi, tugui and other root crops.

Sugar.-Prewar consumption of sugar is estimated at 7 kilos or 15.4 pounds per capita, or a total estimated 1946 consumption of about 142,000 short tons. The estimated 1946-47 output of the 5 sugar centrals in operation is 66,000 short tons. There is, thus, a shortage of 76,000 short tons, which have to be wholly supplied from imports.

Meat. - Meat consumption in Manila before the war was 16 kilos or 35.2 pounds per capita. Because of the excessive postwar price of meat which is practically eight times that of prewar, a large portion of the population has shifted to canned foodstuffs, mostly imported from the United States. In view of present difficulties of collecting statistics on slaughtered animals in the provinces, however, there are now no means of ascertaining actual consumption data. It may be stated that the war had a most disastrous effect on the livestock industry.

Imports for consumption of the following articles may throw more light on consumption levels of various other commodities: (a)

Items	1941	Per capita imports	1945	Per capita imports
	(Kilos)	(Kilos)	(Kilos)	(Kilos)
Grains and preparations	139,330,412	8.30	65,823,548	3.57
Meat and dairy products	20,824,766	1.83	12,480,576	.67
Vegetables and preparations	28,986,842	1.72	6,800,886	.37
	(Sq. yards)	(Sq. yards)	(Sq. yards)	(Sq. yards)
Textiles and manufactures	167,568,210	9.99	835,108	.045

NOTE: (a) 1941 estimated population 16,771,900
1945 " " 18,415,100

4a. Present level of production in significant industries as compared with significant prewar years.-

The present level of production as compared with significant prewar years is as follows:

Items	Unit of measure	PRODUCTION	
		Pre-war 1940	Present 1946
Sugar, centrifugal	Short tons	1,044,000	13,000
Lumber	Board feet	340,400,000	150,000,000
Abaca	Bales	1,342,000	237,000
Copra	Tons	738,000	200,000
Coconut oil	Tons	243,000	(Nil)
Cigars	Thousand	331,600	50,000
Electricity	Kwh (thousand)	175,400	50,000
Mines, gold	Pesos	62,700,000	1,000,000

5. Present level of agricultural production compared with prewar.-

Rice. - The area planted for the crop year ending June 30, 1946 was 1,653,820 hectares, or about 21 per cent less than the prewar average of 2,096,720 hectares. The production was 36,134,280 cavanes (44 kilos) of palay (rough rice) or about 30 per cent below the prewar average of 51,401,660 cavanes.

Corn. - The area planted for the crop year ending June 30, 1946 was 522,570 hectares or about 43 per cent less than the prewar average of 911,140 hectares. The production was 5,178,000 cavanes of 58 kilos or about 45 per cent below the prewar average of 9,421,740 cavanes.

Sugar (centrifugal). - The present production is about 11,646,000 kilos, or about 98.82 per cent less than the prewar average of about 990,000,000 kilos. There were 5 centrals that started operation out of 42 before the war. About 8 more are ready to operate this coming milling season. There are at least two more sugar centrals ready to operate but they lack sugar cane to mill.

Abaca. - The production was about 30,000,000 kilos for the crop year ending June 30, 1946, or about 83 per cent less than the prewar average of 177,730,000 kilos.

Copra. - The production for the crop year ending June 30, 1946 was about 200,000,000 kilos or about 70 per cent less than the prewar average of about 675,000,000 kilos.

6. Present serviceable quantity of railroad rolling stock, trucks, air and water transport equipment (ocean-going and inland), as compared with a significant prewar period.-

The total rolling stock of the Manila Railroad Company is 1,905, including 73 locomotives, 67 passenger coaches, 1 rail motor car, 36 express, baggage and caboose cars, and 1,728 freight cars and service cars. As compared with the serviceable rolling stock in 1941, there is a decrease of 29 per cent in the grand total, and of the following percentages in the different types of rolling stock: About 49 per cent for locomotives; about 68 per cent for passenger coaches; over 98 per cent for rail motor cars; 100 per cent for rail motor car trailers (in 1941 there were 100 of them); about 62 per cent for express, baggage and caboose cars; and about 17 per cent for freight cars and service cars.

The Philippine Railway Company which operates lines in Cebu and Panay islands have not as yet submitted figures. Available prewar figures for this company give a total rolling stock of 388, consisting of 16 locomotives, 56 passenger cars and 266 freight cars. The Cities of Iloilo and Cebu were burned by the Japanese and it is more than likely that a large percentage of the rolling stock of the Philippine Railway Company might have been destroyed there.

The tramway transportation system in Manila, an American enterprise that before the war had around 150 electric cars and 300 buses, was entirely wiped out. The only visible assets in Manila are the tramway lines not removed or destroyed by the Japanese.

Before the war, there were two companies that operated scheduled airlines. They are the Philippine Air Transport Company and the Iloilo-Negros Air Express Company. Aside from the foregoing scheduled operators, there were six non-scheduled operators. All of the above scheduled and non-scheduled operators had during the fiscal year 1939-1940 a total of over 20 serviceable passenger and freight planes that carried 16,209 revenue passengers and a total freight of 3,098,271.50 pounds in air mail and air express. As of June 1946, there were a total of 37 commercial airplanes operated by the Far Eastern Air Transportation Company and the Philippine Air Lines for passenger and freight service and both have reported a total revenue passenger of 107,367 and freight consisting of mail and express totalling 7,727,258.30 pounds for the first half of the current year. The statistics indicate considerable progress over prewar commercial airplane operations.

Available prewar statistics on water transportation are those for 1940 when 730 ocean-going vessels with a total net tonnage of 2,755,606 and 3,547 inter-island and bay and river crafts of different categories (steamers, 62; steam launches, 28; motor ships and auxiliary schooners, 98; launches, boats, bancas with motor, 820; scows, lighters, barges, cascos, and bancas, 960; and sailing vessels, 1,515), with a total net tonnage of 154,613.20 were engaged in foreign and interisland and bay and river trade during that year. Postwar statistics on this subject are still being gathered, although it is of common knowledge and observation that water transportation facilities were among the worst hit during the war. The ocean-going vessels which mostly belonged to the belligerents were practically all wiped out, and present ocean-going steamers coming to the Islands are the few survivors and several new American-owned steamers. Ninety (90) per cent of the steamers belong to the United States; the rest belong to the British, Norwegians, Dutch, Danish and Chinese. Practically all the interisland steamers were sunk during the war. A few of the water-crafts of lesser categories, mostly sailing vessels, were able to survive.

As regards motor vehicle transportation, there were registered in 1940 (only complete available record) a total of 20,236 motor trucks and 33,878 automobiles, or a total of 54,134 motor cars and trucks. In 1945, the preliminary registration figures give a total of 8,996 for motor trucks and 3,824 for automobiles, Manila and Rizal excluded, or a total of 12,820. Adding the registration of 12,613 trucks and 6,476 automobiles for Manila and Rizal for the first part of 1946, we get a full total of 31,909 motor car registration in 1945-1946. This full total compared with that of 1940 shows a decrease of over 41 per cent.

7. Estimated attainable level, as compared with prewar output, or industrial and agricultural production. -

a. Damage to agricultural industry during the war may be conservatively estimated at about 33-1/3 per cent of the total value.

- (a) Sugar industry - 43 per cent of sugar centrals and refineries.
- (b) Tobacco industry - 60 per cent of prewar production.
- (c) Abaca industry - 30 per cent of the plantations, excluding damages to stripping machines, sheds, etc., worth more than ₱3,000,000.
- (d) Coconut industry - 50 per cent of the coconut oil and desiccated coconut factories, 40 per cent of copra driers, warehouses and other establishments and 5 per cent of coconut trees.

b. Attainable level of agricultural and industrial production assuming an adequate supply of raw materials and energy, compared with the prewar.

<u>Products</u>	<u>Unit</u>	<u>Prewar production</u>	<u>Attainable level of production</u>
Rice	Cavanes	51,401,660	40,000,000
Corn'.....	"	9,421,740	6,000,000
Sugar -			
Centrifugal.....	Kilos	990,000,000	350,000,000
Muscovado	"	41,000,000	20,000,000
Abaca	"	177,730,000	100,000,000
Tobacco	"	42,000,000	20,000,000
Copra	"	675,000,000	500,000,000
Coconut oil	Tons	343,000	10,000
Lumber	Board feet	340,400,000	100,000,000
Embroideries		₱1,755,000	₱ 1,000,000
Cigars	Thousand	331,600	50,000
Cigarettes	"	3,292,900	1,000,000
Cordage		₱ 3,300,000	₱ 1,000,000
Shoes	Pairs	2,455,600	500,000
Electricity	Kwh	175,400	75,000

8. To what extent has the lack of agricultural and industrial equipment impaired immediate recovery?

In the case of the sugar and tobacco industry, the lack of agricultural and industrial equipment will retard 60 per cent of their immediate recovery. In the case of lowland rice, about 10 per cent and for upland rice and corn, about 30 per cent. In the case of abaca, it will be around 40 per cent, for copra, 20 per cent, and for coconut oil, 50 per cent.

9. To what extent has the lack of raw materials impaired immediate recovery?

The lack of raw materials has not seriously impaired the immediate recovery of industries, with the exception of the sugar industry and to some extent of the abaca industry as almost all the sugar plantations were destroyed and some of the big abaca plantations were partly damaged due to war operations. The scarcity of hides for the shoe and slipper industry and for cannisters for the canning industry also handicaps the rapid recovery of these industries.

However, the key to immediate recovery is the restoration of the plants, heavy machinery and buildings to start sizeable production. The Philippines is endowed with plenty of raw materials so that lack of it is not so much a problem.

10. To what extent has lack of transport facilities impaired immediate recovery?

Immediate recovery is being impeded greatly by a lack of sufficient transportation facilities and this is particularly true in the case of inter-island transportation which has been crippled almost 100 per cent by the war and has affected seriously the shipment of lumber and other building materials as well as of foodstuffs and other necessities of life to the devastated areas. The wide disparity between the living cost in Manila and distant provinces is due largely to the lack of transportation facilities that hinder the flow of commerce to and from the metropolis. But even in overseas commerce, the lack of shipping lines to Europe and parts of Asia has left only the United States as the market for Philippine products which before the war had a much wider outlet, particularly for leaf tobacco, copra, Manila hemp, Manila rope, hides and skins, etc.

11. To what extent has the lack of financial means impaired immediate recovery?

Because of the insufficiency of government revenues, the Government has not been able to undertake any wide-scale reconstruction work. Damaged public buildings, roads, bridges, portworks, railroads, etc., are not as yet repaired pending the receipt of the P240,000,000 share of the Government from the Tydings War Damage Compensation Act.

The same can be said of private industry. Destroyed sugar centrals, tobacco factories, rice mills, lumber mills, coconut oil mills, desiccated coconut factories, rope factories, distilleries, shoe factories, mining works, etc., are still out of operation pending the receipt of substantial capital to rehabilitate them or to supply the much needed capital equipment almost totally destroyed by the war.

II. ANSWERS TO QUESTIONS CONCERNING LONG RANGE RECOVERY AND DEVELOPMENT PROGRAMS.

11a. What is the level of consumption of foodstuffs and other consumers goods and standards of housing, anticipated during the next 18 months, five years or more.

(See answer to question No.4 concerning the level of consumption of foodstuffs and other consumers goods.) With the enormous destruction of dwelling especially in urban centers, thousands upon thousands of people are housed in temporary structures devoid of the necessary sanitation facilities. It may take 10 to 15 years before prewar standards of housing is restored.

12. Does the production pattern proposed in the country's development program differ materially from the prewar pattern and in what respects?

The production pattern proposed in the country's development will not differ materially from the prewar pattern except in the sugar industry where production may be reduced as a result of the destruction of machinery which was extensively used in this industry before the war. Owing to the destruction of work animals, the use of farm machinery is contemplated in the production of rice, corn, tobacco, root crops and vegetables besides sugar cane.

13. To what extent do the changes proposed in the prewar production pattern take into account the modifications in the economies of other countries

The production pattern proposed for rice is based on the methods of production in the United States. For this purpose, an agricultural mission was sent to the United States a year ago to study the possibility of mechanizing our rice industry in a manner similar to that of the United States.

14. To what extent are such changes the result of a necessity to increase exports?

Our principal export crops before the war were sugar, copra, coconut oil, desiccated coconut, abaca, and tobacco. Before the war (1940), we exported

40,517,893 kilos of desiccated coconut; 177,458,863 kilos ofinedible coconut oil; 8,443,294 kilos of edible coconut oil; 341,930,371 kilos of copra; 923,542,586 kilos of centrifugal sugar; 52,931,188 kilos of refined sugar; 12,222,118 kilos of leaf tobacco; 206,231,102 cigars; 136,558,743 cigarettes; and about 1,402,720 bales (126.5 kilos) of unmanufactured abaca, or about 177,400,000 kilos.

In 1945 we exported only about 9,000,000 kilos of copra and about 2,400,000 kilos of abaca, and during the first half of 1946, we exported only around 141,783,000 kilos of copra and about 20,000,000 kilos of abaca. We have not exported sugar and tobacco. To increase, therefore, our production both of the raw materials and of the manufactured products and thereby increasing our exports, we need agricultural and industrial machinery to replace those destroyed during the war.

15. To what extent are such changes the result of a necessity to decrease imports?

Our rice production before the war was about 51,400,000 cavanes of paley (rough rice) and our yearly average rice importation from 1937 to 1941, excluding about 15,000 cabanes exported at the same time was 756,250 cavanes of 56 kilos, or equivalent to about 1,532,500 cavanes of paley. The yearly consumption of milled rice now in the Philippines is about 30,000,000 cavanes, or about 60,000,000 cavanes of paley. Our production was only about 18,000,000 cavanes (36,000,000 cavanes of paley). Hence, a deficit of about 12,000,000 cavanes of 56 kilos, or 24,000,000 cavanes (14 kilos) of paley which we have to import from other countries. Hence, the need for the use of farm machinery for the immediate recovery of the industry to minimize our rice import.

Development of vast potential resources and industrialization of our country, through the introduction of modern equipment and the training of the necessary personnel, would help decrease imports. Such imported items as paper, textiles, fish, vegetables, cocoa, coffee, sugar, edible vegetable oils, etc. could be easily produced or processed locally.

16. To what extent are such changes dependent upon the importation of capital equipment?

In the manufacturing industries, such changes are largely dependent on the importation of capital equipment.

17. To what extent are such changes dependent on imported raw materials?

The proposed changes do not depend on imported raw materials as the Philippines abounds in raw materials, except industrial chemicals. Conversion of raw materials into finished products through the use of imported capital equipment is one of our distinct needs, if industrialization is to be encouraged.

18. What addition to the existing stock of trucks, railroad, water and air transport equipment are required, in order to meet the goals set by the longer range recovery and development programme? To what extent can these additions be met out of domestic production?

Information called for by this question can be furnished only by higher authorities -- those that shape the basic policies of the government. However it can be assumed that it is a basic policy to restore the public utilities to their prewar status to improve the living conditions of the mass of the people; in which case the much needed equipment must have to be imported as they are not manufactured locally. The Philippines is as yet in an agricultural stage of development, and it will take years before heavy industries can be successfully established here.

18 a. What additions are contemplated in construction of roads, bridges, railroads, and waterways and airfields for economic development.

The primary objective of the Republic is to repair prewar damaged roads and bridges, portworks, public buildings (including schools and hospitals), airways, lighthouses, and the government operated railways; that is to say, restore them to their serviceable status before the war. However, in reconstructing devastated Manila, there is a project to build a national capitol with an outlay of some P45,000,000. There is also a project to build a military road connecting San Fernando, La Union province and Batangas, Batangas province, and another project to repair present piers and warehouses in Manila and to build several new ones on the north side of the harbor to provide for future expansion of the volume of trade passing through the port of Manila.

All the foregoing projects will be built from the sum of P240,000,000 to be set aside for said government projects in the Tyding's War Damage Act. The sum of P150,000,000 has already been made available for the military road, the repair of the University of the Philippines, the construction and repair of portworks, construction of the proposed national capitol, and the repair of public schools and hospitals.

New projects of similar magnitude may also be undertaken in naval and military reservations of the United States in the islands, including the construction, improvement and expansion of airways for military use within those bases. It is the United States Government that will finance them.

19. Significant data on the trend of birth and death rates, population shifts, and related factors.

The birth rate in the Philippines appears to have registered no appreciable change, the rate per thousand population in 1940 being 32.28 as compared with 32.83 in 1931. In years between these two periods the variation in the birth rate is insignificant. On the other hand, the death rate per thousand population indicated an appreciable improvement, as the rate dropped from 17.97 per thousand in 1931 to 16.50 in 1940. It is estimated that about 350,000 persons are added annually to the population. (Population as of the Census of 1939 was 16,000,303; estimated as of January 1, 1946 it was 18,846,000)

Prior to the war, there were two classes of population movements in the Philippines; namely, (a) natural current and (b) artificial movement, the latter representing persons transferring to scarcely populated areas under Government auspices for the purpose of settling lands of the public domain. For the period 1931-1939 the average number of homeseekers sent under Government assistance was 2,520. The natural current may be divided into two kinds - migration from rural to rural communities and the drift of rural population toward the cities. No data are available regarding these movements.

The following table shows the occupational distribution of gainful workers in the Philippines:

GAINFUL WORKERS TEN YEARS OLD AND OVER, BY GENERAL OCCUPATION GROUPS AND BY SEX: 1939

Occupation Group	NUMBER			Per cent distribution
	Male	Female	Both sexes	
TOTAL	4,219,278	4,247,215	8,466,493	100.0
Agriculture	2,981,551	474,819	3,456,370	40.8
Domestic and personal service.	123,508	3,354,576	3,478,084	1/ 41.1
Professional service	65,438	37,977	103,415	1.2
Public service (not elsewhere classified)	48,984	636	49,620	0.6
Fishing	175,841	4,728	180,569	2.1
Forestry and hunting	24,903	1,917	26,820	0.3
Mining and quarrying	46,625	394	47,019	0.6
Manufacturing & mech. Industries	333,976	267,359	601,335	7.1
Trans. and communication	202,449	1,147	203,596	2.4
Clerical	44,904	3,995	48,899	0.6
Total	171,099	99,667	270,766	3.2

1/ Includes 3,145,763 housewives.

In view of the unsatisfactory conditions in agricultural employments, there is a tendency for rural people to seek work in urban centers. As a result, a considerable proportion of those formerly engaged in agricultural activities may now be found either in trade or in U. S. Army employment.

20. Can the contemplated changes in the prewar production pattern take place with the present labour force, taking into account average working hours?

Whatever changes are contemplated in prewar production pattern, the labour supply is more than adequate to meet the demands of both agriculture and industry for many years to come.

21. To what extent do such changes require the transfer of labour between different branches of activity, particularly between agriculture and industry?

Expansion in agriculture and industry will not be handicapped as far as labor requirement is concerned. Prior to the war, it was the practice of big enterprises to send representatives to recruit laborers in areas where labor was plentiful. With improved system of labor recruitment and better conditions of employment, the labor needs of both agriculture and industry can be easily met.

22. To what extent will such transfers require the increased mechanization of agriculture?

The need for increased mechanization of agriculture is not so much due to lack of manpower on the farm as we have enough of them, but we lack work animals. Before the war, there were about 1,870,000 work animals on farms, 74 per cent of which were carabao. The number of carabao left is about 40 per cent below the prewar of about 2,400,000 and our cattle is about 70 per cent below the prewar of about 1,400,000 heads. The number of work animals left after the war is probably around 40 per cent below the prewar population. The transfer of labor between agriculture and industry will not increase very much the need for mechanization of agriculture.

23. To what extent will the development programme require an increase of certain categories of workers, or of managerial or scientific personnel?

As Philippine economy is essentially agricultural, the great bulk of the working people are engaged in agricultural pursuits. At present unskilled labor predominates as mechanization in agriculture is negligible. In 1939 there were 247,146 skilled laborers, most of whom were employed in industrial and commercial enterprises and other non-farming occupations. The number of skilled laborers may have increased since liberation as a result of the training they gained while in the employ of the U. S. Army. In Greater Manila area alone, the U. S. Army was employing some 70,000 skilled workers in August 1945. A large proportion of these probably belonged to the unskilled class before the war, when the total number of skilled workers in Manila was 35,941 only. To meet present and future demands, the necessity of training managerial and scientific personnel, which the country sadly lacks, appears in order. The training of additional skilled workers may likewise be necessary.

24. To what extent is a surplus of labor anticipated over the next few years, and in what categories of workers? Is migration of such labour contemplated, and to what extent?

As already indicated elsewhere in this report, surplus labor especially in the unskilled class will be available to meet future expansion in agriculture and in industry. In 1939, the total number of gainfully employed persons 10 years old and over was 5,320,730, excluding housewives, and the labor supply was 7,304,300, or a surplus of 1,983,580, or 37.03 per cent. Prior to the war, the mobility of labor from island to island presented some difficulties although in centers of population like Luzon, labor mobility was facilitated by the network of good roads and cheap means of transportation. The migration of laborers from one area to another will depend upon the demands of employing enterprises.

25. What volume of imports is required annually for 1946-48 (and, if possible, for a longer period) to fulfill the recovery and development programme?

The present upward trend of imports, the value of which average a monthly value of 45 million pesos, or with an estimated total of 540 million pesos for this year (1946) as compared with 271 million pesos for 1941 and 569 million pesos for 1940, may be the requirement annually to fulfill recovery and development program.

The accompanying table (Table A) of imports shows the comparative value, by commodity group, for the years 1946-48, 1941 and 1940.

26. What volume of commodities can be available annually for export under the recovery and development programme?

There seems to be at present a bright prospect in the exportation of desiccated coconut, copra, copra meal, and abaca, as the United States is apparently quite willing to absorb our available output, and Spain, one of our best markets for tobacco, could be made to renew the export trade. The volume required for desiccated coconut exports so as to meet the 1941 level is about 57 times; copra, 5 times; abaca, 40 times; leaf tobacco, 3 times; and copra meal, 27 times, under the recovery.

The following table shows the quantity of several exported items for the first six months of 1946 compared with the calendar year of 1941:

<u>Commodity</u>	<u>Unit</u>	<u>1946</u>	
		<u>Jan.-June</u>	<u>1941</u>
Copra	Tons	51,880	265,149
Desiccated coconut	"	1,375	57,284
Copra meal or cake	"	294	55,396
Tobacco leaf	"	792	2,014
Abaca	Bale	33,639	1,282,794

27. To what extent are difficulties contemplated in marketing exports in countries which can provide needed imports, or can pay in convertible foreign exchange?

The chief difficulties met with at present in marketing exports to countries which in prewar years provided needed imports are the lack of transportation facilities and the much reduced rate of production caused by the war.

EUROPEAN COUNTRIES

<u>Country</u>	<u>1939</u>		<u>1938</u>	
	<u>Exports</u>	<u>Imports</u>	<u>Exports</u>	<u>Imports</u>
Great Britain	6,625,484	5,961,760	6,017,116	5,432,927
Netherlands	6,517,454	5,907,845	5,082,032	5,833,732
France	3,522,494	1,599,749	3,184,007	2,104,958
Spain	2,085,726	170,483	310,510	160,673
Norway	410,162	172,934	448,543	139,772

ASIATIC COUNTRIES

<u>Country</u>	<u>1941</u>		<u>1940</u>	
	<u>Exports</u>	<u>Imports</u>	<u>Exports</u>	<u>Imports</u>
China	7,520,356	8,593,210	3,687,494	6,211,560
Hongkong	5,953,111	2,481,400	3,719,348	2,047,781
Malaya	1,092,300	370,314	934,982	144,292
Siam	917,347	489,734	388,788	1,483,015

28. What is the expected balance of payments for the years 1946-48, and, if possible, later years?

The expected balance of payments for the years 1946-1948 is shown in the attached table (Table B).

(Part of Answer to question No. 25, page 11.)

TABLE A -VALUES OF PHILIPPINE IMPORTS: 1946, 1941 and 1940

Commodity Group	1946-1948	1941	1940
TOTAL	<u>P540,000,000</u>	P 271,182,780	P 269,462,542
Textile fibers and manufactures..	65,000,000	60,612,038	51,683,568
Metals and manufactures	38,000,000	39,035,470	51,787,768
Electrical machinery and appliances	6,000,000	9,801,476	7,591,327
Vehicles and parts	20,000,000	10,614,482	12,300,960
Non-metallic minerals	24,000,000	29,946,662	32,198,086
Grains and preparations	55,000,000	16,010,420	14,337,679
Paper and manufactures	20,000,000	13,000,712	13,007,952
Dairy products	34,000,000	11,163,634	9,285,511
Chemicals, drugs, dyes & medicines	18,000,000	10,205,974	8,137,901
Rubber and manufactures	5,000,000	7,107,480	5,291,520
Inedible animal products.....	1,000,000	4,557,692	3,225,803
Vegetables & vegetables preparations	19,000,000	4,203,122	4,160,993
Cocoa, coffee and tea	9,000,000	4,008,606	2,710,597
Explosive, fireworks & ammunitions	1,000,000	3,769,480	3,342,456
Fish and fish products	8,000,000	3,270,096	3,045,813
Fruits and preparations	27,000,000	3,059,236	3,302,816
Meat products	3,000,000	2,479,648	2,757,142
Paints, pigments & varnishes	2,000,000	2,069,252	1,941,874
Fertilizer & fertilizing materials	17,000	1,725,348	6,966,119
Sugar, molasses and syrups	3,000,000	1,438,320	1,481,814
Soaps	1,000,000	1,289,470	796,469
Gums, resins, and oils	600,000	934,774	809,017
Wood and manufactures	1,000,000	818,028	912,045
Vegetable oils and fats, edible..	500,000	373,086	507,865
Other edible animal products....	200,000	140,734	522,868
Nuts and preparations	1,000,000	111,650	184,827
Seeds (except oil seeds) & nursery stk.	100,000	107,778	105,582
Spices	300,000	87,550	73,274
Animals	60,000	60,772	118,098
Animal oils and fats, edible ..	600,000	38,836	64,774
Cork	200,000	38,360	84,821
All other	176,423,000	29,102,594	26,725,203

29. What minimum amounts of foreign credits will be required annually in 1946-1948 and, if possible, for a longer period, to cover any deficit in the balance of international payments?

With a government reserve of P 670,000,000 in round numbers, the bulk of which is deposited in the United States, and with the Philippine peso pegged to the dollar, the Philippines may not expect any deficit in the balance of international payments this year or even in next fiscal year, provided, of course, that the Philippine Republic does not draw from said reserves to meet huge budgetary deficits estimated to be around P250,000,000 in the national budget for the fiscal year 1946-1947. The Republic, however, is not using its reserves for the purpose, and instead has passed several taxation measures calculated to cut down the reported deficit by about P50,000,000 thus, leaving a possible net deficit of around P200,000,000. It is to meet this expected net deficit that the Government has been pressing its application for loan in the United States, and indications are that the President may even go to the United States to negotiate such loans.

In the 1947-1948 fiscal year, a similar situation may occur, although the several new taxation measures may operate to cut down further the expected deficits as business may be stimulated by war damage payments reported to commence about the latter part of this year. Not until the destroyed industries are restored -- sugar, mining, coconut oil, rope, cigar, etc., will such threat to the ability of the Philippines to meet balances of international payments against her cease to be a serious problem to the new Republic.

In the meantime, as above indicated, a minimum loan of P200,000,000 should be granted annually to the Philippines for the next two years.

Manila, September 27, 1946

(SELL)

true copy;

/s/ Leon M. Gonzales
LEON M. GONZALES
Director of the Census and Statistics

November 19, 1946

(Part of Answer to Question No. 28 page 11)

TABLE B -

ESTIMATED BALANCE OF INTERNATIONAL PAYMENTS OF THE PHILIPPINES
1946 - 1948

C r e d i t s I t e m s	V A L U E (P e s o s)			D e b i t I t e m s	V A L U E (P e s o s)		
	1946	1947	1948		1946	1947	1948
Exports of Merchandise ...	6,000,000	65,000,000	130,000,000	Imports of Merchandise	590,000,000	590,000,000	590,000,000
Receipts from foreign countries - War damages ...	-	100,000,000	100,000,000	Freight charges, insurance, etc.	35,000,000	35,000,000	35,000,000
Interest on government investment	1,000,000	1,000,000	1,000,000	Expenses of Filipinos abroad	100,000	100,000	100,000
Remittances of Filipinos in foreign countries ..	13,000,000	13,000,000	13,000,000	Interest on foreign capital in the Philippines	6,000,000	10,000,000	14,000,000
or Civilian tourist expenditures	200,000	200,000	200,000	Philippine government debts to be paid	8,000,000	-	-
Army and Navy expenditures including pensions to veterans	233,000,000	193,000,000	153,000,000	TOTAL DEBITS - - - - -	639,100,000	635,100,000	639,100,000
TOTAL CREDITS -	253,200,000	372,200,000	397,200,000				
BALANCE -	385,900,000	262,900,000	241,900,000				
	639,100,000	635,100,000	639,100,000		639,100,000	635,100,000	639,100,000

Republic of the Philippines
Office of the President
BUREAU OF THE CENSUS AND STATISTICS, MANILA

November 19, 1946

TO WHOM IT MAY CONCERN:

This is to certify that the attached report dated September 27, 1946 is a true copy of the statement of information furnished by the Bureau of the Census and Statistics, thru the Office of the President, in answer to a questionnaire referred to this Office by the Department of Foreign Affairs, bearing, among other things, on war damages, population, and economic conditions of the Philippines.

(SEAL)

/s/ Leon Ma. Gonzales
Director

Encl.

Office of the President of the Philippines

Republic of the)
Philippines) SS
City of Manila)

(SEAL)

I, EMILIO ABELLO, Chief of the Executive Office do hereby certify that Leon Ma. Gonzales, whose name appears signed to the attached certificate, was at the time of signing the said certificate, Director, Bureau of the Census and Statistics, Manila, Philippines, duly appointed and qualified and was, as such, Director, duly authorized by the laws of the Philippines to sign, the same, and that the full faith and credit are and ought to be given to his official acts; and I further certify that I am well acquainted with his handwriting and verily believe the signature and seal affixed to the said certificate are genuine.

In witness whereof, I have hereunto set my hand at Manila, Philippines, this 20th day of November, A. D., 1946.

/s/ EMILIO ABELLO

Chief of the Executive Office

N. 1

2880

24-11-36

二三、國勢調查統計局長事務所
一現地復興程度調査命令付各
物的破壞度(他損失率)

(第一頁三)、板華

次第、該率依損失率示之
推定戰況相合(一部)自一九四一年十一月廿三九
五至七月四日一九四二年六月二日國勢調查統計局依之後
領事報告基。

項 目 一九四一年一月一日 華

不動產成條(个) 五三九三七四三二〇(一)

官營事業 一八一七五六二三二(二)

工事及商業資產 五一三六二九四二四(三)

公共土木工程 一四四九八一四二一(四)

官廳(二) 一三五六三三七七(五)

農業(三) 二八一七九六九(六)

動植物 一三五二二〇〇〇〇(七)

日本產業 一三五二二〇〇〇〇(八)

書店 一四三七八三二七(九)

合計 二六六一九六六八(十)

一九四一年一月一日 華

物的量率約(%)某損失率示之

(1) 家屋破壞 約=七〇〇〇、官廳構築物破壞

一七〇〇〇、人有住公家半數能

(2) 官廳建築物 約=一〇〇、官廳構築物破壞政府

建築物、被收

1102

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ヲ餘備ナクセニメ。

(二) 學校建物等物。約一五〇。、學校建物等物が
破壊サレシ、ソ、結果、數ヶ、子齡兒童が、
通學に得ナシ状態ニア。

次第ハ、アリビンシニシニガル作戦、結果破壊
セラシタ構築物、推定數ヲモナア。

一九四一年十二月八日ヨリ一九四五一年七月四日ニ至
ルアリビンシニシニガル作戦、結果上記
テ破壊セラシタ建築物及シソ、他、構
築物、推定數。

項目

公立小、中學校建物等物 一五〇。

官廳事務所及シ他 一〇。

官廳構築物 一〇。

民閑住宅 二九五。

事務場 一八〇。

私立學校、大字、病院 一〇。

及シ他、構築物 一〇。

倉庫、修造作業 一〇。

他、宗教的構築物 一〇。

合計 二九三。